



LANE POWELL
ATTORNEYS & COUNSELORS

*a detailed list of
creditors & outstanding
debts*

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March 20, 2013

PRIVILEGED AND CONFIDENTIAL

VIA ELECTRONIC MAIL

Ms. Lori Houck Cora
Assistant Regional Counsel
United States Environmental Protection Agency
ORC-158
Region 10
1200 Sixth Avenue
Seattle, WA 98101-3123

Re: Linnton Plywood Association (LPA)

Dear Lori:

As I mentioned in our recent phone conversation, LPA is under contract with a new prospective purchaser, which intends to construct a restoration project on LPA's property. The purchaser is completing its due diligence. Closing the transaction is conditioned upon a number of events, most importantly, LPA is entering into the contemplated Consent Decree with EPA and the Trustees.

Attached is a depiction of the conceptual habitat restoration plan being brought forward. It calls for minimal offsite soil placement, and largely avoids impacts to the BP/ARCO property. It is our understanding that this plan has been reviewed with favor by the Trustees.

The transaction terms call for a sale price of \$5.75 million (subject to a \$250,000 discount for early payment in full), and for a "closing" on August 12, 2013, which under certain circumstances can be extended to August 2014, when not less than \$2.5 million of the consideration will be paid. The balance of the consideration is due upon issuance of the ROD, or not later than August 2015. Any deferred balance will bear interest at 6%, which will be paid in monthly installments. Unfortunately, with the passage of time, LPA's financial circumstances have continued to deteriorate.

We have been authorized to share the sale documents with EPA and have been advised that the purchaser would like the opportunity to talk directly with you about the LPA settlement and its process. We could do this by conference call or in person. We would like to start the

① Need copy of purchase & sale agreement.
② need to know all conditions on closing
③ need updated financial info. current income & debts/liabilities
④ need to know how much will be taken out of \$2.5 mill. what US will get how much we will get from \$2.25 second installment

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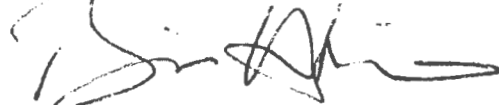
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process of appropriately adapting the draft Consent Decree to this transaction. We are hopeful that this will lead to the entry of a final Consent Decree. I would appreciate it if you would call me to discuss your vision of how best for us to get started on this. Rather than simply sending you the sale documents, we thought it best to talk with you first.

Thank you for your consideration of these questions. I look forward to hearing from you.

Very truly yours,

LANE POWELL PC

A handwritten signature in black ink, appearing to read 'William P. Hutchison', written over the printed name.

William P. Hutchison

WPH:teb
Attachment

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